

Tab 21

LANDFILL GAS SALES AGREEMENT

THIS AGREEMENT ("Agreement"), is made and entered into this 16th day of March 2006 ("Effective Date") by and between Ocean Energy Corp., a corporation organized under the laws of New Jersey ("OEC"), currently with an office at 2498 Route 70, Manchester, New Jersey 08759 and GASCO, L.L.C., a limited liability company organized under the laws of New Jersey, with an address at 25 First Avenue, Atlantic Highlands, New Jersey 07716 ("GASCO").

WHEREAS, GASCO has acquired the exclusive right to possess and use the Ocean County Landfill Methane Gas Collection System and on June 30, 1995 entered into a Landfill Gas Sales Agreement with Manchester Renewable Power Company ("MRPC") ("MRPC Gas Agreement") pursuant to which GASCO agreed to collect, deliver and sell the Landfill Gas produced therefrom to MRPC in accordance with the terms of said Agreement until its termination or expiration; and

WHEREAS, pursuant to an amendment to the MRPC Gas Agreement entered into on or about the Effective Date of this Agreement, MRPC has agreed that GASCO may sell Landfill Gas to OEC in accordance with the terms of this Agreement; and

WHEREAS, subject to the terms and conditions hereinafter set forth, OEC desires to purchase such Landfill Gas from GASCO for the purpose of generating electricity at the Facility for sale to a utility or other purchaser or purchasers.

NOW, THEREFORE, for and in consideration of the promises and the mutual benefits and covenants contained herein, GASCO and OEC hereby agree as follows:

ARTICLE I **DEFINITIONS**

1.1 Unless another definition is expressly stated, the following terms and abbreviations, when used in this Agreement and all exhibits, recitals, and appendices related to this Agreement, are intended to and will mean the following:

(a) "British Thermal Unit" or "Btu" means the amount of heat required to raise at standard conditions the temperature of one (1) pound of water one degree Fahrenheit at sixty degrees Fahrenheit.

(b) "Contract Year" shall mean initially the period commencing on the earlier of the Operation Date or January 1, 2007 and ending at 12:00 a.m. on that same month and date twelve months later and thereafter shall mean each ensuing twelve month period during which this agreement remains in effect, except that the final Contract Year shall mean such twelve month period or any portion thereof prior to the termination or expiration of this Agreement.

(c) "Delivery Point" or "Point of Delivery" means the point of delivery as specified in section 3.1 of this Agreement and shown on Exhibit "A" attached hereto.

(d) "Facility" means the power production facility to be constructed and operated by OEC and located on the Leased Premises as more specifically defined in the Site Lease executed by and between OEC and APLC, Inc., and in the Stock Purchase and Development Agreement executed by and between Atlantic Pier Company, Inc. ("APC") and MRPC on or about the Effective Date of this Agreement.

(e) "Force Majeure Event" means an event as defined in Article IX hereof.

(f) "Landfill Gas" means any gaseous mixture of hydrocarbons and noncombustible gases produced from the natural decomposition of biomass deposited in and under the real property subject to the Lease Agreements, as defined herein, and delivered by GASCO to OEC at the Point of Delivery specified herein.

(g) "Lease Agreements" means that Lease, originally executed in January, 1985, and amended from time to time, and that Post-closure Lease, between APC and the Ocean County Landfill Corporation ("OCLC") wherein APC leased to OCLC certain real property in Manchester Township, New Jersey, for the operation of a solid waste landfill and maintenance

thereof during a post-closure period, a portion of which has heretofore included the Leased Premises as defined herein.

(h) "Leased Premises" means that real property located within the Township of Manchester, County of Ocean and State of New Jersey, more particularly described in the Site Lease executed by and between OEC and APLC, Inc., on the Effective Date of this Agreement, on which the Facility is to be located.

(i) "Methane Gas Collection System" means the system of subsurface piping and other appurtenant facilities existing or hereinafter installed at Cells 7, 8 and 9 and any other such system and appurtenant facilities newly installed at the Ocean County Landfill on and under real property subject to the Lease Agreements, as defined herein, and utilized for the purpose of collecting Landfill Gas.

(j) "MMBtus" means one million British Thermal Units.

(k) "Operation Date" means the date on which the Facility, as defined herein, is capable of producing electrical energy.

ARTICLE II

LANDFILL GAS QUANTITY

2.1 Pursuant to the terms, conditions, and limitations of this Agreement, GASCO will tender to OEC each day that this Agreement is in effect such quantities of Landfill Gas as may be available up to an amount needed to enable OEC to operate the Facility at full capacity.

2.2 Commencing on the Operation Date, OEC shall deliver payment to GASCO at the price fixed in Article V herein for all Landfill Gas tendered by GASCO. Any Landfill Gas tendered to OEC under this Agreement that is not used by OEC, *i.e.*, consumed at the Facility, shall be directed to a flare owned and operated by OCLC. OEC shall not sell or transfer any Landfill Gas to any other person without the prior written consent of GASCO.

ARTICLE III
TITLE

3.1 The Delivery Point for the Landfill Gas delivered by GASCO to OEC under this Agreement shall be the point of interconnection of the Methane Gas Collection System to the Facility as depicted on Exhibit "A" attached hereto.

3.2 Title to the Landfill Gas sold hereunder shall pass to OEC at the Delivery Point established in Section 3.1 herein. As between the parties hereto, GASCO will be responsible for any loss of or damage or injury caused by the Landfill Gas until delivered to OEC at the Delivery Point, after which delivery OEC will be deemed to be in exclusive control and possession thereof and, as between the parties hereto, OEC shall be responsible for any loss of Landfill Gas or damage or injury caused thereby.

3.3 OEC shall ensure that the Facility is designed to receive deliveries of the Landfill Gas at the Delivery Point at the varying pressures that may exist from time to time within the Methane Gas Collection System.

ARTICLE IV
MEASUREMENTS

4.1 MMBtu shall be the unit of measurement for calculating the amounts payable by OEC to GASCO for Landfill Gas tendered to OEC by GASCO under this Agreement.

4.2 OEC shall install and maintain meter(s) and other equipment and instruments at the Facility which continuously measure the flow of Landfill Gas in cubic feet consumed at the Facility and which continuously monitor and record hourly the methane content of said Landfill Gas. Monthly spreadsheets with daily summaries of the aforesaid hourly methane content records, and monthly flow charts documenting flow and totalizing the cubic feet of Landfill Gas consumed at the Facility, shall be provided by OEC to GASCO. For the purposes of calculating the MMBtus tendered to OEC and the monthly payments therefor to be paid by OEC to GASCO

pursuant to Article V hereof, GASCO shall utilize: (i) information from the monthly spreadsheets and flowcharts provided by OEC; (ii) information from monthly flowcharts and spreadsheets summarizing OCLC records as to the volume in cubic feet of Landfill Gas delivered during the subject month to the OCLC flare(s) and the methane content of said Landfill Gas; and (iii) a heat value equal to 1013 Btus per cubic foot of methane.

4.3 GASCO may require that OEC provide GASCO with reasonable proof that the metering equipment to measure Landfill Gas flows and instruments to monitor and record methane content used by OEC are providing a reasonable representation of the volume and methane content of the Landfill Gas and MMBtus consumed at the Facility. OEC may require that GASCO provide OEC with reasonable proof that OCLC's records provide a reasonable representation of the volume and methane content of the Landfill Gas delivered to the OCLC flare(s).

4.4 Nothing herein shall be construed as guaranteeing the methane content or quality of the Landfill Gas tendered to OEC by GASCO.

ARTICLE V

LANDFILL GAS PRICE

5.1 Commencing on the first day of and during the first Contract Year, unless otherwise agreed to by the parties in writing, OEC shall pay GASCO [REDACTED]

[REDACTED]

(a) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) [REDACTED]

[REDACTED]

(c) [REDACTED]

5.2 [REDACTED]

5.3 [REDACTED]

5.4 [REDACTED]

5.5 If the Operation Date is later than January 1, 2007, OEC agrees to [REDACTED]

ARTICLE VI PRELIMINARY ACTS; CONDITIONS

6.1 The respective obligations of GASCO and OEC under this Agreement are

expressly conditioned upon the following agreements all dated as of the Effective Date of this Agreement being in full force and effect:

- (1) Amendments to June 30, 1995 Landfill Gas Sales Agreements by and between MRPC and GASCO;
- (2) Stock Purchase and Development Agreement by and between APC and MRPC;
- (3) Site Lease by and between APLC, Inc., and OEC.

6.2 In the event any governmental or regulatory approval or permit deemed necessary or advisable to consummate this Agreement are not received by the Operation Date of the Facility or the Facility does not receive all permits and approvals necessary to commence operations, either party may upon written notice to the other party terminate this Agreement.

ARTICLE VII **EFFECTIVE DATE AND TERM**

7.1 This Agreement shall remain in force for an initial term following the Effective Date of fifteen (15) years, unless earlier terminated. The fifteen year term of this Agreement may be extended for successive one (1) year periods up to a maximum extension of five (5) years at the option of APLC and OEC so long as sufficient Landfill Gas is available during which extension period or periods payment for the Landfill Gas tendered by GASCO to OEC shall continue at the Adjusted Gas Price calculated in accordance with Article V and in the manner provided in Article VIII of this Agreement. This Agreement shall terminate upon the termination of the Site Lease by and between APLC, Inc. and OEC dated as of the Effective Date of this Agreement.

ARTICLE VIII **BILLING AND PAYMENT**

8.1 On or before the tenth (10th) working day of each month, GASCO shall prepare

and provide to OEC a statement setting forth: (a) t [REDACTED]

[REDACTED] d (c)

8.2 Within twenty (20) days following the receipt of GASCO's statement, OEC shall remit payment to GASCO as specified in GASCO's statement.

ARTICLE IX **FORCE MAJEURE**

9.1 The failure of either OEC or GASCO to perform any of its obligation hereunder by reason of an act or event beyond such party's reasonable control, including acts of God or a public enemy, strikes, riots, injunctions, or other interferences through legal proceedings initiated by third parties, breakage or accident to machinery or lines of pipe, washouts, earthquakes, storms, fires, flood, explosions, freezing or failure of wells or liens of pipe or related facilities, or applicable governmental regulation action, order or directive, which prevents or materially impairs performance, or to any other causes not due to the fault of such party and not within the reasonable control of such party, shall be deemed a failure attributable to a "Force Majeure Event."

9.2 Such failure shall not be deemed to be a violation by such party of its obligations hereunder. A party shall give notice and full particulars of such Force Majeure Event as soon as possible after the occurrence thereof. The obligations of the party unable to perform by reason of the Force Majeure Event shall be suspended for the duration of any Force Majeure Event; provided, however, that this provision shall not relieve OEC of its obligation to make money payments hereunder.

9.3 The party giving such notice shall with all reasonable dispatch undertake such actions within its control to remedy the Force Majeure Event and resume the performance of its obligations hereunder.

ARTICLE X **WARRANT OF TITLE**

10.1 GASCO hereby warrants title to all Landfill Gas tendered hereunder and/or the right to sell the same to OEC. GASCO agrees to indemnify, defend and save OEC harmless against all third party suits, actions, debts, accounts, damages, costs, losses, and expenses, including reasonable attorneys' fees (collectively "Claims"), arising from or out of any adverse legal claim of any and all persons respecting GASCO's legal title to said Landfill Gas prior to passage of title to OEC. Notwithstanding the foregoing, GASCO shall have no obligation to indemnify, defend or save OEC harmless against any Claims which may be brought by MRPC, Michigan Cogeneration Systems, Inc. (d/b/a Landfill Energy Systems) or any affiliated person or entity. In the event OEC seeks to be indemnified, defended or saved harmless pursuant to this section, OEC must provide GASCO prompt written notice of the subject Claim or Claims, provided, however, that the failure to provide such notice promptly shall only relieve GASCO of its obligations hereunder to the extent it is prejudiced by such failure.

ARTICLE XI **TAXES**

11.1 GASCO shall pay all production, severance, gathering and similar taxes imposed on GASCO by any state or federal authority with respect to the gas delivered hereunder, and OEC shall reimburse GASCO for the entire amount of any existing or future tax so paid by GASCO within twenty (20) days of being billed by GASCO for same.

11.2 The term taxes as used in this Article XI shall not include capital stock, income, excess profits or franchise or general property taxes.

ARTICLE XII

INDEMNIFICATION

12.1 Each party shall indemnify, hold harmless and defend the other party, its officer, directors, employees and agents from any and all Claims due to the damage, injury or loss to any property or the injury or death of any person arising from, caused or occasioned by the negligent, willful or intentional acts or omissions of a party or its employees or agents in the performance of its obligations hereunder or operation of its respective facilities. In the event that a party seeks to be indemnified, held harmless or defended against any Claims pursuant to this section, such party must provide the other party (the "Indemnifying Party") prompt written notice of the subject Claim or Claims, provided, however, that the failure to provide such notice promptly shall only relieve the Indemnifying Party of its obligations hereunder to the extent it is prejudiced by such failure.

ARTICLE XIII

TERMINATION

13.1 If either party hereto fails to perform any of the material covenants or obligations assumed by it hereunder, the other party if adversely affected thereby may, at its option, terminate this Agreement by serving a written notice on the party in default, stating specifically the nature of the default and declaring it to be the intention of the party giving the notice to terminate the same, whereupon the party in default shall have (60) days after the service of such notice to remedy or remove the cause or causes stated in the notice for terminating this Agreement, and if, within the succeeding period of sixty (60) days, the party in default does so remedy or remove said cause or causes, such notice shall be considered automatically withdrawn and this Agreement shall continue in full force and effect. If the party in default does not so remedy or remove the cause or causes within said period of sixty (60) days, the non-defaulting party may at its option either suspend its performance hereunder or terminate upon ten (10) days

notice this Agreement by sending written notice of termination to the other party. Any termination of this Agreement shall be without waiver of any remedy to which the party not in default may be entitled for violation of this Agreement.

ARTICLE XIV **MISCELLANEOUS**

14.1 The interpretation and performance of this Agreement shall be construed in accordance with the laws of the State of New Jersey without regard to conflict of laws principles. The parties agree that New Jersey shall be the venue for any litigation regarding this Agreement, and each party hereby submits to the jurisdiction of the Federal and State Courts of the State of New Jersey, and waives any objection based on either lack of personal jurisdiction or inconvenient forum.

14.2 Except as otherwise provided by this Agreement, any notice, request, demand, statement, bill or payment delivered under this Agreement shall be in writing and will be considered dully delivered when mailed, return receipt requested, sent by overnight delivery by a nationally recognized courier, or hand-delivered, to the respective address of the parties listed below:

GASCO, L.L.C.
25 First Avenue
Highlands, New Jersey 07716
Attn: Charles J. Hesse, III

OCEAN ENERGY CORP.
29261 Wall Street
Wixom, Michigan 48393
Attn: Scott D. Salisbury

14.3 The provisions of this Agreement shall be binding on and inure to the benefit of the parties hereto. Neither party may assign any of its rights or delegate any of its duties hereunder without the written consent of the other and any attempted assignment or delegation not so consented to shall be null and void.

14.4 This Agreement contains the entire agreement between the respective parties hereto and supersedes and incorporates all prior written, oral or implied provisions or other representations, indemnifications or understanding of any kind whatsoever, and may only be modified by written instrument executed by the parties or their permitted successors and assigns hereto.

14.5 This Agreement may be signed in counterparts. Each counterpart shall constitute an original and together with such other counterparts shall constitute one and the same Agreement.

14.6 The failure of either party to enforce at any time or for any period of time any provisions of this Agreement shall not be construed to be a waiver of such provision or of the right of such party to enforce thereafter each provision.

14.7 Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto, and their respective successors and assigns, any right, remedies, obligation or liabilities under or by reason of this Agreement.

14.8 OEC and GASCO hereby acknowledge and agree that the breach by either of any duty or obligation arising under this Agreement will cause the other irreparable injury which is inadequately compensable in monetary damages, and, accordingly, either GASCO or OEC may seek specific performance or such other equitable relief as may be appropriate in addition to any remedy at law.

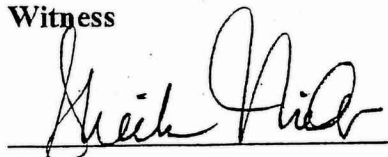
14.9 The parties each hereby agree to use reasonable efforts to provide each other with such additional instruments, documents or other further assurances as the other may reasonably in furtherance of the development, financing, construction, or operation of the Facility, or the performance of any duty and obligation arising hereunder; provided however, that nothing herein

shall obligate either OEC or GASCO to assume any greater liabilities or obligations that are otherwise provided herein.

14.10 At all times while this Agreement is in effect for at least two (2) years following termination or expiration thereof, each party to this Agreement shall maintain and preserve complete the accurate records of all accounts and related information and data pertaining to any price, quantity, or other matter concerning the parties' respective rights and obligations under this Agreement, and shall make such records and materials available for inspection and audit during reasonable business hours and upon reasonable notice.

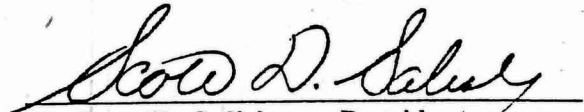
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date above first mentioned.

Witness

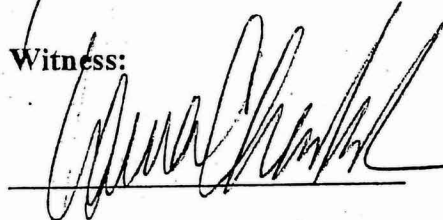


OCEAN ENERGY CORP.

By:



Scott D. Salisbury, President

Witness:



GASCO, L.L.C

By:


Charles J. Hesse, III, Member

